



The Federal Direct Parent PLUS Loan is a federal, credit based loan, offered by the U.S. Department of Education for parents to assist their student with undergraduate educational expenses. Students must maintain at least 6 hours of enrollment, as determined by the specific program of study in a degree seeking or approved certificate program. Prior to applying, the student must have already submitted the Free Application for Federal Student Aid (FAFSA).

- **First year students** will be mailed a letter with detailed information regarding the Parent PLUS loan as well as other options to assist with educational expenses.
- **Continuing students** with parents who wish to apply for a Parent PLUS Loan should refer to your financial aid award package through My.SMU for the estimated amount of eligibility.

Loan Amount: The maximum amount parents can borrow will be listed on the Financial Aid Award Package as a "Parent Plus Estimate". Keep in mind, this is just an estimate. Parents who wish to apply for this loan must submit a Parent PLUS Loan application through the following website.

<https://studentloans.gov/myDirectLoan/index.action>

Interest Rate: For detailed information regarding interest rates, please visit

<https://studentaid.ed.gov/sa/types/loans/plus#interest>

Loan Fee: Loans originated on or after October 1, 2018, and before October 1, 2019 carry an origination fee of **4.248%**

Repayment: Repayment begins 60 days after the loan is fully disbursed. However, you may request to defer payment of your Parent PLUS Loan. Please refer to repayment options when completing the application process.

If your loan is deferred, interest will accrue on the loan during deferment. You may choose to pay the accrued interest or allow the interest to capitalize when the deferment period ends. Contact the Department of Education at (800) 557-7394 for details.



Application Instructions:

1) Review the Parent PLUS Loan Estimate listed on your financial aid award package.

When you “accept” the Parent PLUS estimate in My.SMU, you are only acknowledging that you have been informed of your eligibility to apply for the loan and the approximate amount you may be eligible to receive. Acceptance through My.SMU is not the same as submitting your application. Borrowers must submit an application and must be credit approved to actually receive the funds.

2) Submit your Federal Parent PLUS Loan application for credit approval

- Log into www.studentloans.gov using your FSA ID (as used on the FAFSA)
- Under the “Parent Borrowers” section, click on “Apply for a PLUS Loan” and enter your information as requested.
- Submit your application. You should have a decision within seconds. Do not log off until you receive confirmation of your credit decision.
 - i. If credit is approved, you will be required to complete a Parent Master Promissory Note (PMPN).
 - ii. If credit is denied, you will be given specific information on how to appeal the credit decision or how to apply with an endorser (cosigner)

3) Sign the Promissory Note

- New borrowers will be prompted to sign a new promissory note
- Prior borrowers may or may not be required to sign a new promissory note depending on previous loan approvals. If you are unsure, you can log back into studentloans.gov and check the promissory note status from the main menu. Students can refer to their “To Do List” in their my.SMU to determine if a Parent Master Promissory Note is needed.

4) Complete your Loan Entrance Counseling (LEC). Parent PLUS Loan counseling is required when the U.S. Department of Education has informed you that you must complete it. Loan counseling is available for the following reasons:

- To provide PLUS Loan borrowers with information regarding the costs associated with borrowing money as well as the borrower’s responsibilities and obligations.
- To help the borrower make informed decisions about Parent PLUS Loan borrowing

If you encounter any problems with the website application submission process, please contact the customer service number provided by the website. SMU will not be able to provide technical assistance with the website.